VZCZCXYZ0001 PP RUEHWEB

DE RUEHWL #0041 0162341
ZNY SSSSS ZZH
P 162341Z JAN 06
FM AMEMBASSY WELLINGTON
TO RUEHC/SECSTATE WASHDC PRIORITY 2276
INFO RUEHBY/AMEMBASSY CANBERRA PRIORITY 4276
RUEHLO/AMEMBASSY LONDON PRIORITY 0139
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0262
RHMFISS/NSC WASHDC PRIORITY
RUETIAA/DIRNSA FT GEORGE G MEADE MD PRIORITY
RUEKJCS/SECDEF WASHINGTON DC PRIORITY
RUEKJCS/JCS WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHINGTON DC PRIORITY
RHHMUNA/USCINCPAC HONOLULU HI PRIORITY

S E C R E T WELLINGTON 000041

SIPDIS

SIPDIS

STATE FOR EAP/ANP AND INR/EAP OSD FOR LIZ PHU PACOM FOR POLAD HUSO

E.O. 12958: DNG: CO 01/16/2013 TAGS: PINR PREL NZ

SUBJECT: LANGE'S LAST LAUGH

Classified By: Charge d'Affaires David R. Burnett; reasons 1.4 (B and D).

- 11. (C) Former NZ Prime Minister David Lange's private papers included a copy of the highly classified 1985-86 Government Communications Security Bureau annual report detailing its activities, including cooperation with the U.S. National Security Agency. According to an article in the January 15 Sunday Star-Times newspaper, the paper had been given permission by Archives NZ and by the Labour Cabinet to view the documents following Lange's death in August 2005. It is not clear if the Cabinet was aware that the papers included a GCSB document, but Cabinet Chief Executive Maarten Wevers told Charge January 16 that his staff should have known the document was there and removed it from the archivable materials. Wevers said he was under instructions from duty Minister Jim Anderton to review Cabinet and GCSB procedures to determine how the lapse ocurred and to make sure it never happened again.
- 12. (S) The Sunday Star-Times also excerpted memos to Lange from then Minister of Trade & Industry David Caygill and Lange's Chief of Staff John Henderson outlining conversations with the U.S. Ambassador at the time, covering his concerns that the anti-nuclear legislation had eroded trust in New Zealand, thereby threatening intelligence cooperation. The newspaper stressed the Ambassador's concern that if New Zealand were expelled from the "five-eyes" arrangement, the door would be opened for the United States to conduct intelligence gathering operations against the Kiwis. The Star-Times labelled the then Ambassador's language "a clear threat" and "bully tactics," even though the language used made clear that the Ambassador was raising a potential concern and did not know whether the aftermath of the anti-nuclear flap would result in expulsion of New Zealand from the SIGINT community.
- 13. (C) Comment: The Star-Times article is an embarrassment to the Government and to the Prime Minister personally, since she is the Minister charged with intelligence oversight. It raises questions about the Government's competence and its "non-aligned" credentials. The PM values the intelligence relationship very highly. It has ensured that New Zealand still has some access and influence in Washington while allowing Clark to maintain the Labour Party's public ambivalence about the U.S. at home. Maarten Wevers told

Charge that Clark has instructed he and Minister Anderton to kill the story as quickly as possible, so that she does not have to face questions about the U.S.-NZ intelligence relationship during CDR PACOM Fallon's visit to New Zealand later this week. End Comment.

- 14. (C) Embassy will not address the intelligence relationship even on background. However, we do intend to background select journalists on our view of the former Ambassador's comments about the importance of trust, stressing the difference between an honest diplomatic exchange on matters of mutual concern and "bullying." A fairly accurate and sympathetic two-part docudrama on the ANZUS crisis has just aired over the past two weekends, and has created an appetite for discussion of the U.S.-New Zealand relationship (and the late David Lange's lack of veracity) which we would like to exploit while we can.
- 15. (U) Full text of the Sunday Star-Times article can be found at: http://www.stuff.co.nz/stuff/sundaystartimes/

Burnett